

**REPORT ON INTERNAL CONTROL BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Selectmen
Town of Barrington, New Hampshire

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Barrington, New Hampshire (the "Town") as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

AGGREGATE REMAINING FUNDS

Observation

During our audit, we noted that the preliminary general ledger balances of many of the special revenue and agency funds were not correctly stated and that current year activity was incorrectly posted or not recorded at all. Numerous adjustments were required to be posted across the funds to properly present current year activity and year end balances.

Implication

Controls over the financial activities of the Town are weakened as the accounting system is not being properly utilized to record the financial activity of the Town. In addition, financial decisions for special revenue and agency funds may be made on incomplete or incorrect financial data.

Recommendation

We recommend that transactions be evaluated prior to being entered into the accounting system in order to determine the appropriate fund. Additionally, we recommend that the Town's process for recognizing and recording current year activity within the special revenue and agency funds be reviewed in order to avoid mispostings or incomplete data. Finally, we recommend periodic reconciliation of the balance sheet accounts in order to detect erroneous posting.

This communication is intended solely for the information and use of management, the Board of Selectmen, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Vachon Clukay & Company PC
Manchester, New Hampshire
October 2, 2018